

# Enrollment Information Branch

## Eligibility, Enrollment, Qualifying Events and Types of Leave

*Presenters: Teresa Shipley and Jeff Wiley*



# Recent Changes



# Recent Changes

- Smoking Status mid year for transfers of 30 days or more and new retirees
- Transfer rules
- Age limit for dependents
- Clarification on new employees beginning a cross reference payment option
- Coming soon...KHRIS (Kentucky Human Resource Information System) training
- FULL 2009 Open Enrollment
- Dependent Audit



# New for 2009

- **The Plan Year 2009 Open Enrollment will be a FULL open enrollment**
  - **ALL members of the KEHP MUST Web Enroll in order to have an insurance plan, FSA or HRA**
  - **NO plans will be rolling over**
  - **Any paper applications submitted by your employees will need to be keyed into the Web Enrollment System by **you****
  - **PLEASE STRONGLY ENCOURAGE WEB ENROLLMENT**



## New for 2009

- **Members will be able to enroll 23 year old dependents who will turn 24 in 2009\***
- **Members will be able to enroll 24 year old dependents who will turn 25 in 2009\***
- **A dependent audit will take place sometime after January 1**
  - **ALL members will be required to submit documented proof of eligibility for all dependents**

**\* if they still meet the dependent eligibility guidelines**



# Eligibility Requirements for Dependents and Changes for PY 2009



# Who is Eligible in 2009?

- **Dependents** up to age 25 who meet all eligibility requirements of the KEHP based on IRS guidelines
  - Dependents who will turn 24 or 25 in 2009 are eligible to be enrolled during Open Enrollment if they meet the eligibility guidelines
  - Adding a dependent who does not meet the eligibility rules may be considered insurance fraud
  - A dependent audit will take place sometime after January 1, 2009 for ALL members



# Dependent Eligibility

- Other considerations:
    - A foster child must have been placed by an authorized agency or order
    - A member with an eligible dependent child not living with the member must have a court order, divorce decree or administrative order requiring them to cover the child
    - A grandchild may only be added with a court decree or administrative order
- \*All of these may require supporting documentation and subject to signature date guidelines



# Dependent Eligibility

- Disabled dependent children
  - No age restrictions
  - May continue to be covered beyond the limiting age if:
    - The disability started before the limiting age
    - The disability is medically certified by a physician
  - If not covered prior to the limiting age, will be allowed to enroll only if they lose other coverage
  - All other eligibility requirements apply
  - You can request a Certification Form from Jeff Wiley at 502-564-1205 or [jeffrey.wiley@ky.gov](mailto:jeffrey.wiley@ky.gov)



# Important Information For All Insurance Coordinators



# Information You Need:

- As an Insurance Coordinator representing the KEHP you need the following:
  - Administration Manual
  - Kentucky Employees Health Insurance Handbook
  - Transmittal Logs
  - New Employee Checklist
  - Website Links for ICs
  - Website Links for Employees
- All of the above information can be found:  
<http://personnel.ky.gov/benefits/dei/08planyear/>



# You Are Not Responsible For:

- Explaining benefits to members or advising them in any way
  - Refer members to Member Services and to the Summary Plan Descriptions on the website
- Making the member's decision for them
- Deciding what supporting documentation is sufficient
- Deciding if the member has a valid QE
- Member mistakes
  - They have access to the same information as you
- Entering member premiums into payroll before receiving confirmation from DEI via GHI (General Health Information) email
- Knowing all the answers! It's ok to call us. That's what we're here for.



# New Employee Enrollment and Choices



# New Employee Orientation

- Provide the following to your new employees and advise them to read before making a choice
  - KEHP Handbook – contains an Enrollment Application
  - Health Insurance Checklist (sample included in the Administration Manual)
  - Notice about Women's Health and Cancer Rights Act (Administration Manual, Appendix B)
  - The following website address:  
<http://personnel.ky.gov/benefits/dei/08planyear/>



# Enrollment Deadline

- New employees have thirty (30) calendar days from their date of hire to either:
  - Enroll in a health insurance plan; or
  - Waive coverage and enroll in an HRA
  - Employees may also, at their option, enroll in a Healthcare or Dependent Care FSA
  - The Group Health Insurance system (GHI) counts exactly thirty (30) calendar days beginning with the day after the hire date
- Coverage for new employees is effective on the first day of the second month following the date of hire\*

\* Quasi agencies may have longer waiting periods; Not applicable to transfers  
<30 days



# Enrollment Deadline

- ICs must enter ALL NEW employees into Ceridian's WebQE to meet the requirements of COBRA notification
- ICs may enter employee's insurance elections online ONLY from the employee's completed, signed and dated paper application\*
- IC may mail the employee's application to DEI with a Transmittal Log Sheet\*
- Employees may enroll by completing an Enrollment Application or online via our web enrollment system  
*Your KEHP Online Access\**

*\*Once enrollment is complete, the main IC will receive a GHI email. You may then enter their premium into payroll.*





# Enrollment Deadline

- New employees who do not meet the deadline will have no health insurance coverage and no HRA
  - They will not be able to enroll until the next Open Enrollment or if they experience a Qualifying Event (QE) that allows enrollment
  - The Web Enrollment System will assign a forced waiver to the employee



# Cross-Reference Payment Option

- Combines the employer contributions of both spouses to create a much lower premium payment
- Available to members who meet all of the following requirements:
  - Legally married (husband and wife)
  - Both eligible employees or retirees\* of a participating agency
  - Must elect same coverage
  - Both must sign same application

\* Members of the Judicial and Legislators Retirement Plans are not eligible to elect the cross-reference payment option



# Cross-Reference Payment Option

- When can it be selected?
  - During Open Enrollment
  - At time of hire\*
  - At retirement\*
  - During certain Qualifying Events\* (such as marriage and birth/adoption/placement)

\* Restrictions apply (see Admin. Manual, Chapter 1, section IV)



# Cross-Reference Payment Option

- Ending the cross-reference payment option
  - During Open Enrollment
  - New retirement
  - Qualifying event that allows member to drop spouse
  - Qualifying event that allows member to drop the only covered child

\*Termination of employment of one spouse ends the payment option, it does not release the termed employee from the plan.



# Cross-Reference Payment Option

- If enrolling in a cross-reference payment option, caution your employee of the following:
  - This payment option terminates when one of the employees terminates employment or begins LWOP; however, the family level of coverage will remain the same. ***The remaining employee must pay the full employee contribution for the family plan.***



# Cross-Reference Payment Option

- Electing a new plan option is allowed (i.e.: Commonwealth Premier to Commonwealth Enhanced), by filling out a paper application within deadline
- If the terminating employee gains other group health insurance coverage, he will be eligible to be dropped from the remaining employee's family plan (all QE guidelines apply)

# Termination Dates

- Termination of Employment
  - Health insurance coverage ends on the last day of the month following the month employment ends
  - The IC MUST enter the terminated employee in Ceridian's WebQE.
    - This does not include spouses who terminate that are participating in the cross-reference payment option



# Transfers





# Transfers

- If the break in service is 0-29 calendar days, the member will not have a break in health insurance coverage
- The effective date of their insurance elections is the first day of the month following their termination date of coverage with the previous agency
- These members are not allowed to make any changes to their health insurance plan

*The above is not applicable to BOE summer transfers*



# Transfers

- If the break in service is thirty(30) calendar days or more, the transfer employee is considered a new employee\*
- If employee transfers before insurance goes in to effect, their health insurance elections will begin as scheduled with the prior agency (no changes to elections allowed if beyond 30 days)

\* *This does not apply to teachers who are off during summer months*



# Mid-Year Election Changes (Qualifying Events)



# QE Effective and Signature Dates

- The effective dates for adding or dropping dependents can be found on page 3-11 and 3-12 of the Administration Manual as part of the Qualifying Event Chart
- If unsure about when the employee should sign, always have them sign and date the form or application immediately or call the Enrollment Information Branch 502-564-1205



# Supporting Documentation

- The following QEs require supporting documentation:
  - Divorce/legal separation/annulment
    - Filed divorce decree signed by judge and date-stamped “filed”
    - Annulment papers signed by judge and date-stamped “filed”
    - Effective date for dropping will be the end of the month of the divorce

# Supporting Documentation

- Adoption/placement for adoption
  - Placement papers from CHFS; or
  - Signed and date-stamped “filed” papers from a court; or
  - Letter from adoption agency on letterhead; or
  - Legal document from a US court; or
  - Official document translated into English and/or copy of child’s visa – if foreign adoption
- Entitlement to Medicare
  - Copy of the Medicare card; or
  - Initial Medicare eligibility letter



# Supporting Documentation

- Entitlement to Medicaid
  - Initial Medicaid eligibility letter
- Judgment, decree or administrative order relating to health coverage for the child (adding a grandchild requires guardianship or custody papers)
  - Filed and dated court decree; or
  - Agency administrative order; or
  - National Medical Support Notice

# Supporting Documentation

- Loss of other health insurance coverage that allows enrollment under HIPAA
  - Certificate of Creditable Coverage
  - Letter from prior employer
  - Letter from insurance agency or
  - Termination letter from governmental agency

*Refer to Administration Manual for types of coverage that are NOT considered loss of coverage.*



# Supporting Documentation

- Gaining other group health insurance coverage\*
  - Letter from employer
  - Copy of new health insurance ID card for each covered person stating the coverage begin date
- Different open enrollment period
  - Letter from employer

*\*Gaining KCHIP is not a qualifying event to drop dependents*



# Other Guidelines Regarding QEs

- Qualifying events must be signed by the employee within thirty (30) calendar days of the event date
  - Exceptions
    - Birth, adoption, or placement for adoption when only adding the newly acquired dependent – which is sixty (60) calendar days
    - Divorce
    - Ineligible dependent



# Other Guidelines Regarding QEs

- Have employees sign and date the proper form once they are aware of an impending QE, even if the required supporting documentation is not yet available
- If the QE date is not the first day of the month, the employee should sign during that month
  - The effective date will be 1<sup>st</sup> day of the month following the QE date
- Gaining KCHIP is not a permitted QE



# Other Guidelines Regarding QEs

- The QE date is the date the event takes place and NOT the date the employee is notified of an event.  
Notification date is accepted for:
  - Entitlement to governmental programs such as Medicare and Medicaid
  - Entitlement to CHAMPVA, TRICARE
- The only time an employee can change smoking status during the plan year is if they are treated as a new employee or a new retiree



# Forms



# Enrollment Forms

- Use an Enrollment Application to:
  - Enroll in new coverage
  - Enroll in a waiver with a stand-alone HRA
  - Select a new payment option
  - Request an option change
- Use a Dependent Add Form to:
  - Enroll dependents in an existing plan due to experiencing a permitted QE

# Enrollment Forms

- Use a Dependent Drop Form to:
  - Drop covered dependents due to experiencing a permitted QE
- Use an Update Form to:
  - Report demographic changes
  - Report terminations, leaves of absence and reinstatements
  - Make corrections to the above



# Other Forms

- Use a Transmittal Log to:
  - Send with forms/documents mailed to the DEI
- All forms are available at <http://personnel.ky.gov/benefits/dei/08planyear/>



# Types of Leave



# LWOP

- Leave Without Pay
  - If employees are on LWOP and they receive pay the month leave begins
    - the employer contribution amount will be credited toward the health insurance premium
  - If employees are on LWOP and they do not receive pay during the month
    - they will not be eligible for the employer health insurance contribution for the following month
  - Employees must work or have paid leave at least one day in the month they return to work to be eligible for the employer contribution for the following month

# Military Leave

- Military Leave
  - When employees are called to active duty they may choose to either:
    - Stop their health insurance coverage under the state group and be covered under Tricare, or
    - Keep their coverage under the state group plan along with their Tricare coverage
  - When employees return from military leave, they will have all benefits reinstated upon return effective the day they return

# FMLA

- Family Medical Leave Act of 1993 (FMLA)
  - Requires employers to allow eligible employees to take an unpaid, job-protected leave for certain family and medical events
  - Employers must maintain any “group health plan” under the same conditions as if the employee had continued employment during the leave
  - FMLA is not an employee benefit; it’s an entitlement
  - FMLA is not a qualifying event that would permit an employee to make a mid-year election change
  - FMLA is available on an annual basis



# FMLA

- Employer must provide payment options for the employee during FMLA. Those options are:
  - Pre-pay: employees may pay for benefits up front at the beginning of the leave
  - Pay-as-you-go: employees may pay for benefits on a month by month basis
  - Catch-up: employees may pay for benefits upon return to work. The employee and the employer must have this agreement before the leave begins
  - Waive: employees may cease benefits during the leave and then reinstate upon return